

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2351-01
BILL NO.: HB 1133
SUBJECT: Medical Insurance: Professional Fees
TYPE: #Updated
DATE: February 16, 2000
#Updated to reflect additional information.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue *	(Unknown)	(Unknown)	(Unknown)
Insurance Dedicated	\$10,500	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

***Expected to be less than \$100,000 annually.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal *	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

***Revenues and expenditures are expected to be less than \$100,000 annually and net to \$0.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Conservation**, the **Department of Economic Development - Division of Professional Registration**, and the **Department of Transportation** assume this proposal would not fiscally impact their agencies.

Department of Insurance (INS) officials state that they anticipate that current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals.

INS states there are 259 health insurers and 30 HMOs that offer health insurance coverage. INS states that of the health insurers, many offer coverage through out-of-state trusts which are not typically subject to such mandates. INS estimates that 171 health insurers and 30 HMOs would each submit one policy form amendment resulting in revenues of \$10,050 to the Insurance Dedicated Fund.

Officials from the **Department of Social Services (DOS)** assume that the registered nurse first assistant is a registered nurse trained to assist in surgery. DOS also assumes that no new services would be covered by the Medicaid program because of this proposal. However, an increase in costs is anticipated from an increase in providers participating in the Medicaid program.

DOS states that registered first assistants are not currently enrolled as separate provider groups. DOS states that their services are covered and reimbursed to hospitals and ambulatory surgical centers as part of their costs. DOS assumes that the registered nurse first assistants would enroll and participate in the Medicaid program.

DOS assumes the fiscal impact is unknown; however, the cost is expected to be greater than \$100,000. An example of the higher cost anticipated from this proposal: if payments to registered nurse first assistants equal payments made to advanced nurse practitioners in FY 99, the cost would be \$1.1 million. DOS assumes the department would first incur costs in FY 01 (effective date is January 1, 2000); time is needed to establish criteria for enrollment in the Medicaid program.

Missouri Consolidated Health Care Plan (HCP) officials did not respond to our fiscal note request. However, in responding to a similar request in a previous session they assumed that in many instances providing coverage for these healthcare providers would not generate additional costs but rather shift costs among provider types. HCP assumed the proposal would have no

ASSUMPTION (continued)

fiscal impact. HCP further stated that in some rural areas where access to physicians is limited there could be some additional costs because of the availability of a new provider group. HCP stated that some of those costs, however, could be offset by an increase in preventive care. HCP assumed it would be expected that any overall cost increase would be minimal.

#Oversight notes that there are approximately 1,100 certified nurse first assistants nationwide. Oversight assumes that teaching hospitals would not use a certified nurse first assistant. Oversight assumes that the cost would be less than \$100,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Costs - Department of Social Services</u>			
Medical Assistance Payments *#	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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****Expected to be less than \$100,000 annually.**

INSURANCE DEDICATED FUND

<u>Income - Department of Insurance</u>			
Filings fees	<u>\$10,050</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$10,050</u>	<u>\$0</u>	<u>\$0</u>
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FEDERAL FUNDS

Income - Department of Social Services

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
Medicaid reimbursements	Unknown	Unknown	Unknown
<u>Costs - Department of Social Services</u>			
Medical assistance payments	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS **	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

##Revenues and expenditures are expected to be less than \$100,000 annually and net to \$0.

FISCAL IMPACT - Small Business

Small medical business practices would be expected to be fiscally impacted to the extent they would incur increased revenues as a result of this proposal. In addition, small businesses with health plans would be expected to be fiscally impacted to the extent that they would incur changes in insurance premium rates.

DESCRIPTION

This proposal would require a health insurance plan to provide coverage for services rendered or ordered by a registered nurse first assistant. The proposal also defines "registered nurse first assistant" and would require the State Board of Nursing to specify which professional nursing organization certifications would be recognized for registered nurse first assistants and would establish criteria for other registered nurses to use the title other than through such certification.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Department of Insurance

MPW:LR:OD:005 (9-94)

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Missouri Consolidated Health Care Plan
Department of Transportation
Department of Public Safety
Missouri State Highway Patrol
Department of Conservation
Department of Economic Development
Division of Professional Registration

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
February 16, 2000